

103D CONGRESS
1ST SESSION

S. 1624

To standardize withdrawal options for Thrift Savings Plan participants, and
for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 4 (legislative day, NOVEMBER 2), 1993

Mr. STEVENS (for himself and Mr. PRYOR) introduced the following bill; which
was read twice and referred to the Committee on Governmental Affairs

A BILL

To standardize withdrawal options for Thrift Savings Plan
participants, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. STANDARDIZATION OF WITHDRAWAL OPTIONS

4 FOR THRIFT SAVINGS PLAN PARTICIPANTS.

5 (a) PARTICIPATION IN THE THRIFT SAVINGS
6 PLAN.—Section 8351(b) of title 5, United States Code,
7 is amended—

8 (1) by amending paragraph (4) to read as fol-
9 lows:

1 “(4) Section 8433(b) of this title applies to any
2 employee or Member who elects to make contribu-
3 tions to the Thrift Savings Fund under subsection
4 (a) of this section and separates from Government
5 employment.”;

6 (2) by striking out paragraphs (5), (6), and (8);

7 (3) by redesignating paragraphs (7), (9), and
8 (10) as paragraphs (5), (6), and (7), respectively;

9 (4) in paragraph (5)(C) (as redesignated under
10 paragraph (3) of this subsection) by striking out “or
11 former spouse” in both places it appears;

12 (5) by amending paragraph (6) (as redesign-
13 nated under paragraph (3) of this subsection) to
14 read as follows:

15 “(6) Notwithstanding paragraph (4), if an em-
16 ployee or Member separates from Government em-
17 ployment and such employee’s or Member’s non-
18 forfeitable account balance is \$3,500 or less, the Ex-
19 ecutive Director shall pay the nonforfeitable account
20 balance to the participant in a single payment unless
21 the employee or Member elects, at such time and
22 otherwise in such manner as the Executive Director
23 prescribes, one of the options available under sub-
24 section (b).”; and

1 (6) in paragraph (7) (as redesignated under
2 paragraph (3) of this subsection) by striking out
3 “nonforfeiture” and inserting in lieu thereof “non-
4 forfeitable”.

5 (b) BENEFITS AND ELECTION OF BENEFITS.—Sec-
6 tion 8433 of title 5, United States Code, is amended—

7 (1) in subsection (b) by striking out the matter
8 before paragraph (1) and inserting in lieu thereof
9 “Subject to section 8435 of this title, any employee
10 or Member who separates from Government employ-
11 ment entitled to an annuity under subchapter II of
12 this chapter or any employee or Member who sepa-
13 rates from Government employment is entitled and
14 may elect—”;

15 (2) by striking out subsections (c) and (d) and
16 redesignating subsections (e), (f), (g), (h), and (i) as
17 subsections (c), (d), (e), (f), and (g), respectively;

18 (3) in subsection (c)(1) (as redesignated under
19 paragraph (2) of this subsection) by striking out “or
20 (c)(4) or required under subsection (d) directly to an
21 eligible retirement plan or plans) (as defined in sec-
22 tion 402(a)(5)(E) of the Internal Revenue Code of
23 1954)” and inserting in lieu thereof “directly to an
24 eligible retirement plan or plans (as defined in sec-

1 tion 402(c)(8) of the Internal Revenue Code of
2 1986)”;

3 (4) in subsection (d)(2) (as redesignated under
4 paragraph (2) of this subsection) by striking out “or
5 (c)(2)”; and

6 (5) in subsection (f) (as redesignated under
7 paragraph (2) of this subsection)—

8 (A) by striking out paragraph (1) and re-
9 designating paragraphs (2) and (3) as para-
10 graphs (1) and (2), respectively; and

11 (B) in paragraph (1) (as redesignated
12 under subparagraph (A) of this paragraph)—

13 (i) by striking out “Notwithstanding
14 subsections (b) and (c), if an employee or
15 Member separates from Government em-
16 ployment under circumstances making
17 such an employee or Member eligible to
18 make an election under either of those sub-
19 sections, and such employee’s or Mem-
20 ber’s” and inserting in lieu thereof “Not-
21 withstanding subsection (b), if an employee
22 or Member separates from Government
23 employment, and such employee’s or Mem-
24 ber’s”; and

1 (ii) by striking out “or (c), as applica-
2 ble”; and

3 (C) in paragraph (2) (as redesignated
4 under subparagraph (A) of this paragraph) by
5 striking out “paragraphs (1) and (2)” and in-
6 serting in lieu thereof “paragraph (1)”.

7 (c) ANNUITIES: METHODS OF PAYMENT; ELECTION;
8 PURCHASE.—Section 8434(c) of title 5, United States
9 Code, is amended to read as follows:

10 “(c) Notwithstanding an elimination of a method of
11 payment by the Board an employee, Member, former em-
12 ployee, or former Member may elect the eliminated method
13 if the elimination of such method became effective less
14 than 5 years before the date on which annuity com-
15 mences.”.

16 (d) PROTECTIONS FOR SPOUSES AND FORMER
17 SPOUSES.—Section 8435 of title 5, United States Code,
18 is amended—

19 (1) in subsection (a)(1)(A) by striking out
20 “subsection (b)(3), (b)(4), (c)(3), or (c)(4) of section
21 8433 of this title or change an election previously
22 made under subsection (b)(1), (b)(2), (c)(1), or
23 (c)(2)” and inserting in lieu thereof “subsection
24 (b)(3) or (b)(4) of section 8433 of this title or

1 change an election previously made under subsection
2 (b)(1) or (b)(2)”;

3 (2) by striking out subsection (b);

4 (3) by redesignating subsections (c), (d), (e),
5 (f), (g), (h), and (i) as subsections (b), (c), (d), (e),
6 (f), (g), and (h), respectively;

7 (4) in subsection (b) (as redesignated under
8 paragraph (3) of this subsection) by amending para-
9 graph (2) to read as follows:

10 “(2) Paragraph (1) shall not apply, if—

11 “(A) a joint waiver of such method is
12 made, in writing, by the employee or Member
13 and the spouse; or

14 “(B) the employee or Member waives such
15 method, in writing, after establishing to the sat-
16 isfaction of the Executive Director that cir-
17 cumstances described under subsection (a)(2)
18 (A) or (B) make the requirement of a joint
19 waiver inappropriate.”; and

20 (5) in subsection (c)(1) (as redesignated under
21 paragraph (3) of this subsection) by striking out
22 “and a transfer may not be made under section
23 8433(d) of this title”.

24 (e) JUSTICES AND JUDGES.—Section 8440a(b) of
25 title 5, United States Code, is amended—

(1) in paragraph (5) by striking out “Section 8433(d)” and inserting in lieu thereof “Section 8433(b)”;

(2) by striking out paragraphs (7) and (8) and inserting in lieu thereof the following:

“(7) Notwithstanding paragraphs (4) and (5), if any justice or judge retires under subsection (a) or (b) of section 371 or section 372(a) of title 28, or resigns without having met the age and service requirements set forth under section 371(c) of title 28, and such justice’s or judge’s nonforfeitable account balance is \$3,500 or less, the Executive Director shall pay the nonforfeitable account balance to the participant in a single payment unless the justice or judge elects, at such time and otherwise in such manner as the Executive Director prescribes, one of the options available under section 8433(b).”.

(f) BANKRUPTCY JUDGES AND MAGISTRATES.—Section 8440b of title 5, United States Code, is amended—

(1) in subsection (b)(4) by amending subparagraph (B) to read as follows:

“(B) Section 8433(b) of this title applies to any bankruptcy judge or magistrate who elects to make contributions to the Thrift Savings Fund under subsection (a) of this section

1 and who retires before attaining age 65 but is
2 entitled, upon attaining age 65, to an annuity
3 under section 377 of title 28 or section 2(c) of
4 the Retirement and Survivors Annuities for
5 Bankruptcy Judges and Magistrates Act of
6 1988.”;

7 (2) in subsection (b)(4)(C) by striking out
8 “Section 8433(d)” and inserting in lieu thereof
9 “Section 8433(b)”;

10 (3) in subsection (b)(5) by striking out “retire-
11 ment under section 377 of title 28 is” and inserting
12 in lieu thereof “any of the actions described under
13 paragraph (4) (A), (B), or (C) shall be considered”;

14 (4) in subsection (b) by striking out paragraph
15 (8) and redesignating paragraph (9) as paragraph
16 (8); and

17 (5) in paragraph (8) of subsection (b) (as re-
18 designated under paragraph (4) of this sub-
19 section)—

20 (A) by striking out “Notwithstanding sub-
21 paragraphs (A) and (B) of paragraph (4), if
22 any bankruptcy judge or magistrate retires
23 under circumstances making such bankruptcy
24 judge or magistrate eligible to make an election
25 under subsection (b) or (c)” and inserting in

1 lieu thereof “Notwithstanding paragraph (4), if
2 any bankruptcy judge or magistrate retires
3 under circumstances making such bankruptcy
4 judge or magistrate eligible to make an election
5 under subsection (b)”;

6 (B) by striking out “and (c), as applica-
7 ble”.

8 (g) CLAIMS COURT JUDGES.—Section 8440c of title
9 5, United States Code, is amended—

10 (1) in subsection (b)(4)(B) by striking out
11 “Section 8433(d)” and inserting in lieu thereof
12 “Section 8433(b)”;

13 (2) in subsection (b)(5) by striking out “retire-
14 ment under section 178 of title 28, is” and inserting
15 in lieu thereof “any of the actions described in para-
16 graph (4) (A) or (B) shall be considered”;

17 (3) in subsection (b) by striking out paragraph
18 (8) and redesignating paragraph (9) as paragraph
19 (8); and

20 (4) in paragraph (8) (as redesignated under
21 paragraph (3) of this subsection) by striking out
22 “Notwithstanding paragraph (4)(A)” and inserting
23 in lieu thereof “Notwithstanding paragraph (4)”.

24 (h) JUDGES OF THE UNITED STATES COURT OF
25 VETERANS APPEALS.—Section 8440d(b)(5) of title 5,

1 United States Code, is amended by striking out “A trans-
2 fer shall be made as provided under section 8433(d) of
3 this title” and inserting in lieu thereof “Section 8433(b)
4 of this title applies”.

5 (i) TECHNICAL AND CONFORMING AMENDMENTS.—
6 Chapters 83 and 84 of title 5, United States Code, are
7 amended—

8 (1) in section 8351(b)(5)(B) (as redesignated
9 under subsection (a)(3) of this section) by striking
10 out “section 8433(i)” and inserting in lieu thereof
11 “section 8433(g)”;

12 (2) in section 8351(b)(5)(D) (as redesignated
13 under subsection (a)(3) of this section) by striking
14 out “section 8433(i)” and inserting in lieu thereof
15 “section 8433(g)”;

16 (3) in section 8433(b)(4) by striking out “sub-
17 section (e)” and inserting in lieu thereof “subsection
18 (c)”;

19 (4) in section 8433(d)(1) (as redesignated
20 under subsection (b)(2) of this section) by striking
21 out “(d) of section 8435” and inserting in lieu
22 thereof “(c) of section 8435”;

23 (5) in section 8433(d)(2) (as redesignated
24 under subsection (b)(2) of this section) by striking

1 out “section 8435(d)” and inserting in lieu thereof
2 “section 8435(c)”;

3 (6) in section 8433(e) (as redesignated under
4 subsection (b)(2) of this section) by striking out
5 “section 8435(d)(2)” and inserting in lieu thereof
6 “section 8435(c)(2)”;

7 (7) in section 8433(g)(5) (as redesignated
8 under subsection (b)(2) of this section) by striking
9 out “section 8435(f)” and inserting in lieu thereof
10 “section 8435(e)”;

11 (8) in section 8434(b) by striking out “section
12 8435(c)” and inserting in lieu thereof “section
13 8435(b)”;

14 (9) in section 8435(a)(1)(B) by striking out
15 “subsection (c)” and inserting in lieu thereof “sub-
16 section (b)”;

17 (10) in section 8435(d)(1)(B) (as redesignated
18 under subsection (d)(3) of this section) by striking
19 out “subsection (d)(2)” and inserting in lieu thereof
20 “subsection (c)(2)”;

21 (11) in section 8435(d)(3)(A) (as redesignated
22 under subsection (d)(3) of this section) by striking
23 out “subsection (c)(1)” and inserting in lieu thereof
24 “subsection (b)(1)”;

1 (12) in section 8435(d)(6) (as redesignated
2 under subsection (d)(3) of this section) by striking
3 out “or (c)(2)” and inserting in lieu thereof “or
4 (b)(2)”;

5 (13) in section 8435(e)(1)(A) (as redesignated
6 under subsection (d)(3) of this section) by striking
7 out “section 8433(i)” and inserting in lieu thereof
8 “section 8433(g)”;

9 (14) in section 8435(e)(2) (as redesignated
10 under subsection (d)(3) of this section) by striking
11 out “section 8433(i) of this title shall not be ap-
12 proved if approval would have the result described in
13 subsection (d)(1)” and inserting in lieu thereof “sec-
14 tion 8433(g) of this title shall not be approved if ap-
15 proval would have the result described under sub-
16 section (c)(1)”;

17 (15) in section 8435(g) (as redesignated under
18 subsection (d)(3) of this section) by striking out
19 “section 8433(i)” and inserting in lieu thereof “sec-
20 tion 8433(g)”;

21 (16) in section 8437(c)(5) by striking out “sec-
22 tion 8433(i)” and inserting in lieu thereof “section
23 8433(g)”;

1 (17) in section 8440a(b)(6) by striking out
2 “section 8351(b)(7)” and inserting in lieu thereof
3 “section 8351(b)(5)”.

4 (j) INTERIM PROVISION.—Section 8433(d) of title 5,
5 United States Code, is amended by striking out “shall
6 transfer the amount of the balance” and inserting in lieu
7 thereof “may transfer the amount of the balance”.

8 (k) EFFECTIVE DATES.—(1) Except as provided in
9 paragraph (2), the provisions of this section shall take ef-
10 fect 1 year after the date of enactment of this Act or upon
11 such other date as the Executive Director of the Federal
12 Retirement Thrift Investment Board shall provide in regu-
13 lation.

14 (2) The provisions of subsection (j) of this section
15 shall take effect upon the date of the enactment of this
16 Act.

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